

Bureau of Land Management, Interior

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AUTHORITY: 30 U.S.C. 181 *et seq.*; 30 U.S.C. 351-359; 95 Stat. 1070; 43 U.S.C. 1701 *et seq.*, unless otherwise noted.

Subpart 3140—Conversion of Existing Oil and Gas Leases and Valid Claims Based on Mineral Locations

AUTHORITY: 30 U.S.C. 181 *et seq.*

SOURCE: 47 FR 22478, May 24, 1982, unless otherwise noted.

§ 3140.0-1 Purpose.

The purpose of this subpart is to provide for the conversion of existing oil and gas leases and valid claims based on mineral locations within Special Tar Sand Areas to combined hydrocarbon leases.

§ 3140.0-3 Authority.

These regulations are issued under the authority of the Mineral Lands Leasing Act of February 25, 1920 (30 U.S.C. 181 *et seq.*), the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351 *et seq.*), and the Combined Hydrocarbon Leasing Act of 1981 (Pub. L. 97-78).

§ 3140.0-5 Definitions.

As used in this subpart, the term:

(a) *Combined hydrocarbon lease* means a lease issued in a Special Tar Sand Area for the removal of gas and non-gaseous hydrocarbon substances other than coal, oil shale or gilsonite.

(b) *A complete plan of operations* means a plan of operations which is in substantial compliance with the information requirements of 43 CFR 3572.1 for both exploration plans and mining plans, as well as any additional information required in these regulations and under 43 CFR 3572.1, as may be appropriate.

(c) *Special Tar Sand Area* means an area designated by the Department of the Interior's orders of November 20, 1980 (45 FR 76800), and January 21, 1981 (46 FR 6077) referred to in those orders as Designated Tar Sand Areas, as containing substantial deposits of tar sand.

(d) *Owner of an oil and gas lease* means all of the record title holders of an oil gas lease.

(e) *Owner of a valid claim based on a mineral location* means all parties appearing on the title records recognized as official under State law as having the right to sell or transfer any part of

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the mining claim, which was located within a Special Tar Sand Area prior to January 21, 1926, for any hydrocarbon resource, except coal, oil shale or gilsonite, leasable under the Combined Hydrocarbon Leasing Act.

(f) *Unitization* means unitization as that term is defined in 43 CFR part 3180.

[47 FR 22478, May 24, 1982, as amended at 55 FR 12351, Apr. 3, 1990]

§ 3140.1 General provisions.

§ 3140.1-1 Existing rights.

(a) The owner of an oil and gas lease issued prior to November 16, 1981, or the owner of a valid claim based on a mineral location situated within a Special Tar Sand Area may convert that portion of the lease or claim so situated to a combined hydrocarbon lease, provided that such conversion is consistent with the provisions of this subpart.

(b) Owners of oil and gas leases in Special Tar Sand Areas who elect not to convert their leases to a combined hydrocarbon lease do not acquire the rights to any hydrocarbon resource except oil and gas as those terms were defined prior to the enactment of the Combined Hydrocarbon Leasing Act of 1981. The failure to file an application to convert a valid claim based on a mineral location within the time herein provided shall have no effect on the validity of the mining claim nor the right to maintain that claim.

§ 3140.1-2 Notice of intent to convert.

(a) Owners of oil and gas leases in Special Tar Sand Areas which are scheduled to expire prior to the effective date of these regulations or within 6 months thereafter, may preserve the right to convert their leases to combined hydrocarbon leases by filing a Notice of Intent to Convert with the State Director, Utah State Office, Bureau of Land Management, 136 E. South Temple, Salt Lake City, Utah 84111.

(b) A letter, submitted by the lessee, notifying the Bureau of Land Management of the lessee's intention to submit a plan of operations shall constitute a notice of intent to convert a lease. The Notice of Intent shall contain the lease number.

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(c) The Notice of Intent shall be filed prior to the expiration date of the lease. The notice shall preserve the lessee's conversion rights only for a period ending 6 months after the effective date of this subpart.

§ 3140.1-3 Exploration plans.

(a) The authorized officer may grant permission to holders of existing oil and gas leases to gather information to develop, perfect, complete or amend a plan of operations required for conversion upon the approval of the authorized officer of an exploration plan developed in accordance with 43 CFR 3592.1.

(b) The approval of an exploration plan in units of the National Park System requires the consent of the Regional Director of the National Park Service in accordance with § 3140.7 of this title.

(c) The filing of an exploration plan alone shall be insufficient to meet the requirements of a complete plan of operations as set forth in § 3140.2-3 of this title.

[47 FR 22478, May 24, 1982, as amended at 55 FR 12351, Apr. 3, 1990]

§ 3140.1-4 Other provisions.

(a) A combined hydrocarbon lease shall be for no more than 5,120 acres. Acreage held under lease in a Special Tar Sand Area is not chargeable to State oil and gas limitations allowable in § 3101.2 of this title.

(b) The rental rate for a combined hydrocarbon lease shall be \$2 per acre per year and shall be payable annually in advance.

(c)(1) The royalty rate for a combined hydrocarbon lease converted from an oil and gas lease shall be that provided for in the original oil and gas lease.

(2) The royalty rate for a combined hydrocarbon lease converted from a valid claim based on a mineral location shall be 12½ percent.

(3) A reduction of royalties may be granted either as provided in § 3103.4 of this title or, at the request of the lessee and upon a review of information provided by the lessee, prior to commencement of commercial operations if the purpose of the request is to promote development and the maximum production of tar sand.